

DEPARTMENT OF SOCIAL SERVICES

744 P Street, MS 19-74 Sacramento, CA 95814



September 30, 2005

FOSTER CARE AUDITS AND RATES LETTER (FCARL) NO. 2005-05

**TO: ALL GROUP HOME (GH) REGIONAL CENTER PROVIDERS
ALL FOSTER FAMILY AGENCY (FFA) REGIONAL CENTER PROVIDERS**

**SUBJECT: BIENNIAL GROUP HOME AND FOSTER FAMILY RATE
REQUIREMENTS**

IMPORTANT

This letter is to advise you of the requirements for submission of this year's Regional Center Provider's (GH and/or FFA) rate application/request. Please read this entire letter so that you will be aware of the changes to the requirements and rate application/request forms prior to completing your rate application/request.

BIENNIAL REGULATIONS NOW EFFECTIVE

The California Department of Social Services (CDSS) has adopted emergency regulations for biennial group home rate application/foster family agency rate request requirements effective August 1, 2005, Manual of Policies and Procedures (MPP) Division 11-402.3 and 11-403. The emergency regulations amend the existing policies and procedures to the annual rates system and implement a biennial system as required by statute. These regulations revise the rate application/request due date and rate effective date, revise the due dates related to "good cause" extensions, revise the penalty provisions for late application/requests, and add definitions necessary for clarity.

In accordance with these regulations the CDSS has developed the following rate application/request schedule to implement the biennial submission requirement.

NEW RATE APPLICATION/REQUEST SUBMISSION SCHEDULE

The CDSS has developed a new rate application/request submission schedule that is based on the non-profit corporation's fiscal year closing date combined with the provider's program number. The MPP defines fiscal year as "any consecutive 12-month period adopted as the annual accounting period." The CDSS has reviewed each

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program to determine the provider's fiscal year and the program's assigned program number (first four digits of the number). All programs have been divided into odd and even program numbers to link application/request submission with the actual calendar year. Furthermore, provider fiscal year data has been utilized to permit multiple filings throughout a calendar year with providers with similar fiscal years submitting at the same time. Under this new schedule, group home providers will submit their rate application/request according to the chart below.

Calendar Year	Provider's Program No.	Corporation's Fiscal Year Closing Date	Biennial Application/request Rate Submission Due Date	Rate Effective Date*
2005	Odd number (Ex. 2005-00-01)	1/1/05 through 6/30/05	December 1, 2005	February 1, 2006
2005	Odd number (Ex. 2005-00-01)	7/1/05 through 12/31/05	Anticipated date: April 1, 2006**	
2006	Even number (Ex. 2006-00-01)	1/1/06 through 6/30/06,	Anticipated date: September 1, 2006**	
2006	Even number (Ex. 2006-00-01)	7/1/06 through 12/31/06,	Anticipated date: April 1, 2007**	

* The rate effective date is based upon receipt of a complete rate application/request package. The rate is effective on the first day of the second full month following the rate application/request due date.

** These are anticipated dates only, future due dates subject to change due to staffing resources and implementation phase-in needs. Providers should watch for subsequent FCARLS announcing application/request submission date requirements.

PROVIDERS REQUIRED TO SUBMIT A RATE APPLICATION/REQUEST ON DECEMBER 1, 2005

The first group to submit a rate application/request will be all regional center group homes and foster family agencies with odd program numbers and whose fiscal year closed between 1/1/05 through 6/30/05. The due date of the rate application/request is December 1, 2005. The CDSS has compiled a list of those providers whom we have identified as meeting this criteria (PLEASE SEE ENCLOSED LIST OF PROVIDERS.) However, just in case some providers may have recently changed their fiscal year, if a provider meets the criteria above you will still be required to submit a rate application/request even though you are not on the attached submission list.

Please note: If we receive an application/request from a provider who is not required to submit an application/request we will not process the application/request and we will shred all documents to protect confidentiality.

COMPLETE APPLICATION/REQUEST

A complete rate application/request must be submitted for each regional center GH and/or FFA program in operation. A complete rate application/request is one that contains all the required documents necessary to set the rate. Forms have changed to reflect submission of information for a biennial reporting period. This means that data is required for the corporation's prior two fiscal years. Please refer to the regulations and the instructions on the reverse side of each form when preparing the rate application/request. The instructions will assist you in completing the rate application/request package correctly.

Commencing immediately, the documents listed below are required for a complete regional center GH and/or FFA program rate application/request.

1. For a **GH regional center**, a "Group Home Program Rate Application" (SR 1).

For an **FFA regional center**, a "Foster Family Agency-Data and Certification Sheet" (FCR 1FFA).

(These forms must be completed appropriately, including the "Certification" section, and must contain an original signature.)

2. For a **GH regional center**, a copy of the Group Home Administrator Certificate issued by Community Care Licensing (CCL) for the program's administrator.
3. For a **GH regional center**, a Self-Dealing Transaction Declaration (FCR16) signed by the GH's Board of Directors that during the biennial rate period the organization will not incur shelter costs resulting from a self-dealing transaction as defined in California Corporations Code Section 5233.

For all providers:

4. A copy of the current license issued by CCL for each facility or program, including sub-office licenses, whichever is applicable.
5. A copy of the most recent regional center rate and vendorization or contractual agreement letter(s).
6. The organization's tax exempt status letter from either the Internal Revenue Service (IRS) or the California Franchise Tax Board (CFTB) designating the organization as tax exempt; if any changes have occurred since submission of the last tax exempt status letter.

7. An endorsed copy of the agency's Articles of Incorporation filed with the California Secretary of State (SOS), if any changes have occurred since submission of the last Articles of Incorporation, demonstrating the organization:
 - Operates in the public interest for scientific, education, service or charitable purposes:
 - Is not organized for profit making purposes; and
 - Uses its net proceeds to maintain, improve or expand its operations.
8. A declaration signed by the non-profit corporation's Board of Directors that the non-profit corporation will operate during the biennial rate period in the public interest for scientific, education, service or charitable purposes; is not organized for profit-making purposes; and, uses its net proceeds to maintain, improve or expand its operations.

Please note: A regional center group home or foster family agency provider is to immediately notify the Department if the agency ceases to operate on a nonprofit basis, becomes inactive, suspended, or otherwise is not in good standing with the California SOS.
9. A complete listing of the corporation's Board of Directors to include full names, titles, mailing addresses and phone numbers.

Providers with Internet access can obtain the SR and FCR FFA forms online at the following address: www.dss.cahwnet.gov/cdssweb/on-lineFor_271.htm. Providers without Internet access can obtain a copy of the forms by contacting the FCRB. If using forms other than those available via the Internet, please ensure you are using the most current form revision (see MPP Section 11-406).

GOOD CAUSE REQUESTS

A provider who is unable to submit a complete rate application/request by the due date (indicated on the chart on page 2) because of circumstances beyond the provider's control may submit a "good cause" request to extend the due date. Typical circumstances that constitute good cause include, but are not limited to, natural disasters and emergency medical situations [MPP 11-400g(1)].

The procedures for submitting a good cause request are contained in MPP Section 11-402.371 for group homes and MPP Section 11-403(l)(1) for foster family agencies. **A good cause request must be submitted by a provider to the FCRB separately from the rate application/request and must be postmarked no later than five calendar days following the rate application/request due date.**

The good cause request must contain a clear statement requesting good cause and include the specific reasons(s) for submitting an incomplete or untimely rate application/request. The written request for good cause should also include the name, location, and program number of the affected program; the name, address and telephone number of the provider; and, the name, address and telephone number of the contact person. Please be aware that when the Department approves a request for good cause, a complete application/request is due within 30 days of the postmark of the Department's approval notification or 30 days after the original application/request due date, whichever is later.

Please also be aware that good cause requests should not be submitted and/or signed by a certified public accountant (CPA), state-licensed public accountant (PA) or consultant as it is the provider's responsibility to manage the operation of the program, be aware of all business transactions impacting the program, and to make good cause requests on behalf of the program.

TIMELINES AND PENALTIES

As previously stated, a complete regional center GH or FFA application/request must be postmarked on or before the due date (**indicated on the chart on page 2**) to be considered timely. An application/request that is postmarked after this date or remains incomplete after the due date will result in termination of your program number. Once a program number is terminated, a new program number can only be obtained by submitting a new, complete application/request.

If a private consultant or CPA completes and/or mails a rate application/request on behalf of a provider, responsibility for the content of the documents filed and the date of filing remains with the provider. A private consultant's/CPA's failure to submit a timely application/request will not excuse untimely submission of a complete rate application/request and may result in a penalty.

A complete copy of the regulations is online at the following websites:

<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanb.pdf>

<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanc.pdf>

WHERE TO SEND APPLICATIONS/REQUESTS

A complete rate application/request should be mailed to:

**California Department of Social Services
Foster Care Audits and Rates Branch
Foster Care Rates Bureau
744 P Street, M.S. 9-74
Sacramento, CA 95814**

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If you have any questions about the rate application/request process or forms, please contact your Foster Care Rates Consultant at (916) 651-9152.

Sincerely,

GLENN FREITAS, Chief
Foster Care Audits and Rates Branch

Enclosure

September 30, 2005

Program #	NAME - REGIONAL CENTER GROUP HOME
1945.02.01	PHOENIX PROGRAMS-COTTONTAIL & ROBIN
1925.02.01	TURNING POINT OF CENTRAL CALIF
Program #	NAME – REGIONAL CENTER FFA
0879.05.01	FAMILY CARE NETWORK REGIONAL CENTER
1581.05.01	FREE TO BE PROGRAMS-SUPPORTIVE OPTIONS

PLEASE NOTE: IF YOUR PROGRAM NUMBER ENDS IN AN ODD NUMBER AND YOUR FISCAL YEAR'S CLOSING DATE IS BETWEEN 01/01/05-6/30/05 AND YOUR REGIONAL CENTER GROUP HOME AND/OR FFA DOES NOT APPEAR ON THIS LIST, YOU ARE STILL REQUIRED TO SUBMIT A RATE APPLICATION/REQUEST BY 12/01/05.